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Supreme Court of the United States

OCTOBER TERM, 1959

No. 21

ARO MANUFACTURING CO., INC., ET AL.,
PETITIONERS,

v.

CONVERTIBLE TOP REPLACEMENT CO., INC.,
RESPONDENT.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

REPLY BRIEF FOR PETITIONERS

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No. 382

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RESPONDENT.

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REPLY BRIEF FOR PETITIONERS

I. Important Questions of Federal Law Are Involved

The instant case involves an error by the court below showing a misunderstanding of perhaps the most elementary and important concept of patent law; namely, the meaning of "patented". Its reliance on a belief that the top fabric is patented finds no basis in either the cases or statutes defining the body of patent law developed dur-

ing the history of our nation. The Respondent quotes the error of the Court of Appeals in calling the top fabric a patented component, Brief for Respondent at 11, but a component is not patented unless separately claimed in a patent. The top fabric was never separately claimed. J.R.A. 175.

The Patent Laws represent a narrow exception to the monopolization proscribed by the Antitrust Laws. And Congress has established a procedure for obtaining this legal monopoly in a whole title of the United States Code, 35 U.S.C. Sections 1-273 (1952). This procedure requires the patentee to "particularly point out what he regards as his invention", 35 U.S.C. 112, Petition p. 20; i.e., claim the invention. Under the provisions of 35 U.S.C. Section 103, Petition pp. 19-20, a patent cannot be granted for the *claimed* invention unless the *claimed* subject matter represents an inventive departure over the prior art.

The purposes of requiring the patentee to claim his invention are at least threefold. (1) The claims define an area of search for the expert Patent Office Examiner looking for prior patents and publications which anticipate the claimed subject matter. The Examiner is thus able to refuse to allow the grant of a patent until the patentee limits his claims to subject matter representing an inventive departure over the prior art.

(2) The claims, tell the public the arrangement of elements which may not be made, used or sold. If the patentee claims an element itself as an invention, the claims describe features of the element which distinguish it as an invention so that the public may avoid infringement by not making, using or selling an element with such features. *Motion Picture Co.* v. *Universal Film Co.*, 243 U.S. 502, 510 (1917).

(3) The claims prevent the patentee from later asserting monopoly control over subject matter which he did

not invent and submit for examination by the expert Patent Office Examiner. *Brooks* v. *Fisky*, 56 U.S. (15 How.) 211, 215 (1853).

Each of the claims in the patent in suit recites the combination of flexible top material, a folding bow mechanism, a wiping arm and the automobile body in a specified operative relationship. Petition p. 27. Even if the top fabric itself were an invention, the patentee receives no rights to a monopoly over the fabric when it is not separately claimed. *Special Equipment Co.* v. *Coe*, 324 U.S. 370, 376 (1945); *Rowell* v. *Lindsay*, 113 U.S. 97, 101 (1885); *Corn Planter Patent*, 90 U.S. (23 Wall.) 181, 224 (1874).

But the Court of Appeals regards any element of a patented combination as being separately patented, regardless of whether the element is separately claimed. In its opinion, it states that cutting knives, individual elements in a patented planning machine combination, Petition p. 29, and gelatin bands, individual elements in a patented duplicating machine combination, Petition p. 30, are patented. Yet, these elements were not separately claimed.

II. The Top Fabric Is Not an Invention

During the oral argument before the Court of Appeals, Chief Judge Woodbury asked Mr. Pollock, counsel for Respondent, if he were claiming that the top fabric itself was an invention, and Mr. Pollock answered no. In the opinion of the Court of Appeals it recognized that "the District Court found that the patentees succeeded in attaining their object by devising a patentable combination of elements." Petition p. 26. Neither court below made a finding that the top fabric itself was an invention, notwithstanding contrary allegations by Respondent. Brief for Respondent p. 12. In any event, whether the top fabric itself

is an invention is irrelevant because it was not separately claimed.[1]

If the decision of the court below is allowed to stand, the usefulness of patent claims is seriously impaired. Not only must the public avoid making, using or selling the patented combination defined by the claims, but it must avoid selling an element with dimensions chosen so that its only actual commercial use is in the patented combination. This is true even though the element is shown in the prior art and therefore not itself an invention. And since the element is itself not separately claimed, the expert Patent Office Examiner does not make a determination as to whether the element itself represents an invention over the prior art.

Whether the patentee receives a limited monopoly in such unpatented elements used in the patented combination is thus left to a judicial determination without the benefit of an independent evaluation of its merit as an invention by the Patent Office Examiner. This bypasses the administrative plan envisioned by Congress when establishing the Patent Office and providing for examination of patent applications by technically qualified experts. It

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[1] During the prosecution of the application in the Patent Office, the attorneys said, "The real invention is fastening the folding material considerably below the top of the tonneau and then using a wiping arm automatically operated by the bow structure for wiping the inside of the folding material as the top is raised and pressing it against the top of the tonneau." J.R.A. 445, 447.

In arguing the validity of the patented *combination* over the prior art Ackermans patent, Mr. Pollock said, ". . . there is the important distinction that in Mackie-Duluk, the fabric extends down to the trough and is permanently attached to it . . ."

"I will further note that in the Mackie-Duluk structure there is what we call a wiper arm. This wiper arm exerts pressure on the fabric or at least restricts the inward movement of the fabric. This becomes very important under actual operating conditions since this of itself prevents the top material at the rear quarter from being inside or from flapping about, due to wind forces or other forces which might be applied." J.R.A. 301.

further expands the area of uncertainty which surrounds the scope of every patent so that increased litigation may be expected while reducing the pressure of free competition upon the owners of combination patents contrary to the purposes of the Antitrust Laws.

III. Tying the Grant of a Patent License to the Purchase of an Unpatented Component from a Source Designated by the Patentee Is Misuse

Respondent contends that misuse is suggested by immendo. Brief for Respondent p. 15. The petition directly states that the facts in the present case fit squarely within the rule of the *Mercoid* cases holding that a patent cannot be used to control the sale of an unpatented element. As in this case, the plaintiff in that case, Mid-Continent Investment Co., was solely a patent holding corporation not engaged in the sale of the patented combination or elements thereof. Licenses to use were granted only on condition that the user purchased the unpatented thermostatic switches from manufacturers who paid royalties under the patent and themselves manufactured and sold only the unpatented elements for use in the patented combination. Royalties were based on the sale of unpatented elements. In the case at bar, an implied license to use the patented combination is granted to the purchaser of that patented combination when his top fabric wears out only if he purchases his replacement top-fabric from one who pays royalties to the patentee.

We see no difference in principle between the case at bar, the *Mercoid* cases or other cases involving tying clauses in which a license to use a patented device is conditioned upon directing additional profits to the patentee from the sale of unpatented parts or materials. The logic

of the *Mercoid* cases is sound. There is no logical difference between designing a thermostat to operate over a prescribed temperature range for use in a patented heating system and designing the shape and dimensions of flexible top fabric material to fit in a body shell as an element of a patented folding top.

In fact, the present case is a more flagrant example of misuse than the *Mercoid* cases because the top fabrics sold by Petitioners replaced worn fabrics in licensed patented combinations and the Seventh Circuit Court of Appeals, reversed by this Court, said, ". . . a purchaser of Mercoid's accused devices, who used it in his furnace for the purpose intended by Mercoid, other than for repair and replacement made necessary by deterioration so as to preserve its fitness, would be guilty of infringement." *Mid-Continent Investment Co.* v. *Mercoid Corp.*, 133 F.2d 803, 808 (7th Cir. 1942).

And Judge Learned Hand said, "The monopolist cannot prevent those to whom he sells from . . . reconditioning articles worn by use, unless they in fact make a new article. *Wilson* v. *Simpson*, 9 How. 109, 123." *United States* v. *Aluminum Co. of America*, 148 F.2d 416, 425 (2d Cir. 1945).

IV. Neither Court Mentioned the Purpose of Section 271(c)

The court below and Respondent have never mentioned the purpose of section 271(c). It is true, as the Respondent states, that the court below thought this issue too insubstantial for discussion. Yet, it did not and could not state that the language of the statute is so clear and unambiguous that its purpose can be determined from reference to the language alone without examining the purposes and other provisions of the Patent Laws, the purposes of the

Constitution and Antitrust Laws, and the legislative history. The present case presents a situation where this Court can demonstrate the use of all of these factors in properly interpreting statutory provisions. We think the purposes of Congress in enacting legislation will be often frustrated if lower courts are allowed to interpret new statutes without determining purpose by reference to decisions of this Court codified in the statute, other related statutory provisions, and the legislative history.

V. The District Court Found That Some Top Fabrics Sold by Petitioners Had Other Actual Noninfringing Uses

The Petitioners have never questioned that the replacement fabrics which they sold were intended for use in convertible automobiles which incorporated the Mackie-Duluk patented combination as original equipment. The District Court recognized that some top fabrics would fit in convertibles not covered by the patent when it said, ". . . [The fabrics] by happenstance may also fit some cars with other types of tops. This does not alter the fact that they are admittedly purposely designed for, and advertised for, Mackie-Duluk tops." J.R.A. 38.

No facts are in dispute. The question is whether the courts below were correct in disregarding the fact that the fabrics were "a commodity of commerce suitable for substantial noninfringing use" because of Petitioners' admitted intended use. We think the courts below were in error in failing to recognize that this quoted phrase from Section 271(c) bars the patentee from maintaining a suit for contributory infringement, regardless of the intended use of the fabrics.

Conclusion

For the foregoing reasons and those advanced in the petition, it is respectfully requested that the petition for writ of certiorari be granted.

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ERRATUM

The citation to 98 CONG. REC. A433 (1952), Petition p. 8 n. 6, should be to 98 CONG. REC. A416 (1952).